

HOUSE BILL 3118

By Kisber

AN ACT to amend Tennessee Code Annotated, Section 55-3-126,
relative to security interests in vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-3-126, is amended by adding the
following new subsection:

() When a manufacturer's statement of origin or an existing certificate of title on
a motor vehicle is unavailable, a first lienholder or his designee may file a certified copy
of an instrument creating and evidencing a lien or encumbrance on such motor vehicle
with the secretary of state and shall remit therewith a fee of ten dollars (\$10.00) for each
lien to be filed. Such recording and filing shall constitute constructive notice of such lien
against the motor vehicle described therein to creditors of the owner, subsequent
purchasers and encumbrancers, except such liens as are by law dependent upon
possession.

The constructive notice shall be effective from the date of the execution of the
instrument creating and evidencing the lien or encumbrance if the same is filed as
authorized herein within twenty (20) days after the date of the execution thereof. If the
instrument is filed more than twenty (20) days after the execution thereof, the
constructive notice shall date from the time of the filing of the instrument. Provided, that
the filing of a lien under the provisions of this act by the lienholder and the payment of

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the fee therefor shall in no way relieve any person of the obligation of paying the fee now required by law for filing a lien to be evidenced on a certificate of title of a motor vehicle.

A lien filed under the provisions of this act shall automatically terminate after one hundred eighty (180) days or until such lien is otherwise perfected under other provisions of this section, whichever occurs first.

Whenever a lienholder or his designee files a lien under this act and later under other provisions of this section, the lien shall be presumed to be perfected at the time of the earliest filing.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.